

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON ARMED SERVICES

Mr. BAUCUS. Mr. President, I ask unanimous consent that the Committee on Armed Services be authorized to meet during the session of the Senate on Wednesday, April 30, 2008, at 2:30 p.m., in closed session to mark up the National Defense Authorization Act for fiscal year 2009.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. BAUCUS. Mr. President, I ask unanimous consent that the Committee on Energy and Natural Resources be authorized to meet during the session of the Senate to conduct a hearing on Wednesday, April 30, 2008, at 3:30 p.m., in room SD-366 of the Dirksen Senate Office Building.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON AIRLAND

Mr. BAUCUS. Mr. President, I ask unanimous consent that the Subcommittee on Airland of the Committee on Armed Services be authorized to meet during the session of the Senate on Wednesday, April 30, 2008, at 10 a.m., in closed session to mark up the Airland programs and provisions contained in the National Defense Authorization Act for Fiscal Year 2009.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON THE CONSTITUTION

Mr. BAUCUS. Mr. President, I ask unanimous consent that the Senate Committee on the Judiciary, Subcommittee on the Constitution, be authorized to meet during the session of the Senate, to conduct a hearing entitled "Secret Law and the Threat to Democratic and Accountable Government" on Wednesday, April 30, 2008, at 9 a.m., in room SD-226 of the Dirksen Senate Office Building.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON STRATEGIC FORCES

Mr. BAUCUS. Mr. President, I ask unanimous consent that the Subcommittee on Strategic Forces of the Committee on Armed Services be authorized to meet during the session of the Senate on Wednesday, April 30, 2008, at 9:30 a.m., in closed session to mark up the Strategic Forces Programs and Provisions contained in the National Defense Authorization Act for Fiscal Year 2009.

The PRESIDING OFFICER. Without objection, it is so ordered.

SPECIAL COMMITTEE ON AGING

Mr. BAUCUS. Mr. President, I ask unanimous consent that the Special Committee on Aging be authorized to meet on Wednesday, April 30, 2008, from 3-5 p.m., in Hart 216 for the purpose of conducting a hearing.

The PRESIDING OFFICER. Without objection, it is so ordered.

PRIVILEGES OF THE FLOOR

Mr. BAUCUS. Mr. President, I ask unanimous consent that the following fellows and interns of the Finance Committee be allowed floor privileges during consideration of the FAA bill: Ben Miller, Bridget Mallon, Damian Kudelka, Emily Schwartz, Ezana Teferra, Mary Baker, Tamara Clay, and Tom Louthan.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. BAUCUS. Mr. President, I ask unanimous consent that Leighton Quon of my staff be granted the privileges of the floor during consideration of the FAA bill.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ENSURING CONTINUED ACCESS TO STUDENT LOANS ACT OF 2008

Mr. DURBIN. I ask unanimous consent that the Senate proceed to the immediate consideration of Calendar No. 722, H.R. 5715.

The PRESIDING OFFICER. The clerk will report the bill by title.

The bill clerk read as follows:

A bill (H.R. 5715) to ensure continued availability of access to the Federal student loan program for students and families.

There being no objection, the Senate proceeded to consider the bill.

Mr. KENNEDY. Mr. President, with each passing day, families are confronted with growing challenges stemming from our lagging economy. We have had a surge of bad news, and there is almost certainly more to come. People have done everything right. They have worked hard all their lives. They have been good citizens and they cared for their communities. Many have served in the military. They have bought homes in which to raise their families and have dutifully paid the mortgage every month.

But now they are seeing everything they have worked for, everything they have saved for and sacrificed for placed at risk. Families are stretched to the limit by stagnant wages and soaring prices. They have seen the value of their homes and retirement savings plunge. They wonder if they can afford to put gas in the tank in order to get to work.

Now there is a danger that their children will be the next victims of the economic crisis.

What started as a crisis in the housing market has spread to the banks and beyond. We must draw a line there and not let the crisis in the credit markets become a crisis for students struggling to pay for college and access to the American dream.

If we allow that to happen, we not only limit the horizon for a new generation of Americans, but we will damage the long-term economic health of America as well. More than ever, a college degree is the key to the door of op-

portunity for individual students. Sending more of our students to college is key to our international competitiveness in the global economy.

Yet students are facing new obstacles as they pay for their education. The credit crisis in the mortgage market has rippled throughout the lending industry and has begun to affect student loans.

The full scope of the problem isn't clear yet, but we cannot afford to wait for a full-blown crisis before we act. Students are applying now for loans to cover the fall term. I am very pleased the Senate acted earlier today to ensure that the loans they need will be available, and I look forward to prompt action by the House.

Already, almost 50 lenders have completely dropped out of the Federal program. Together, they make up almost 14 percent of the Federal student loan market. We need to make sure we have done everything we can to protect students in case that downturn continues.

The first line of defense for students and families is the Direct Loan Program. It is insulated from the turbulence of the credit markets because the Federal Government provides the capital directly to students, without having to pay a bank or other middleman. I have urged colleges across the country to sign up to participate in this program to protect them from any problems in the credit markets.

We need to take additional steps to shore up the alternative federally subsidized loan program—the FFEL program—in the short term as an additional backstop against unacceptable disruptions in the financial aid process later this year.

The legislation the Senate passed today will protect students from the problems in the credit markets by ensuring they will be able to access federally subsidized loans.

First, Mr. President, it ensures that private lenders will continue to participate in the federally subsidized program by giving the Secretary of Education the authority to buy outstanding Federal loans in order to provide lenders with the capital needed to make new loans to students for the upcoming school year.

Second, as a backup for students who still have trouble obtaining a loan, the bill facilitates students' access to "lender of last resort" loans. These loans are provided to students through existing State-operated guaranty agencies, using capital advanced by the Secretary of Education.

Third, the bill assists students who rely on higher cost, non-federally guaranteed loans by making additional low-cost Federal options available to them and their families.

The bill raises Federal loan limits for undergraduate students by \$2,000. This legislation also makes it easier for parents to take out low-cost federally subsidized loans on behalf of their children through the PLUS loan program. The bill ensures that parents affected by

the current mortgage crisis can still obtain these loans, and it allows parents to delay repayment on these loans until after their child graduates from school. This is very important—the fact that it would delay repayment until after graduation. That is a major assistance to families.

We are increasing the amount that will be available at the lower rates to college students, and we are extending the period of time that will help the families in terms of the repayment schedule.

Finally, this bill helps students decrease student loan debt levels by expanding access to an existing grant program, the Academic Competitive Grants. Under this bill, an additional 100,000 students can receive up to \$4,000 more a year in grant aid.

We need to get these safety nets in place now before we are hit with a problem that is beyond our control. College affordability should not be determined by the quarterly profits or losses of the banks.

The student aid system is not about banks' bottom lines. As the cost of college has tripled over the past 20 years, the Federal student aid system of grants and loans has made the dream of college a reality for millions of students who could not otherwise afford it.

In 1993, less than half of all graduates had to take out college loans, but in 2004 nearly two-thirds had to borrow to finance their education. This chart reflects that. This chart reflects the students taking out the loans in 1993. Here it reflects those who took out loans for 2004. Years ago, when we passed the student loan program—back in 1965—these were effectively all grant programs; about 80 percent are grants, and only 20 percent are loans. We have seen this dramatic shift over the period of recent years now to the loan program. That has all kinds of implications in terms of indebtedness to students. Too often many of the students are now working one or two jobs, and they are also trying to pay off their debts in the future years. This has a very important adverse impact in terms of students and their ability to pursue careers, the careers that are lower paying, but so critical to our society, such as teaching, public health or social work.

In the 2004–2005 school year in Massachusetts, 86 percent of students relied on Federal student loans. The average debt of these students was over \$18,000. So the best way to help students and families afford college is to increase the grant aid. More aid up front means fewer loans and less debt on graduation day. That is why Congress acted last year on our promise to raise the maximum Pell grant to \$5,400 by 2012, an increase of \$1,350 under the level at which it stagnated under this Administration. As a result, students eligible for the maximum Pell grant will have to borrow \$6,000 less in loans over the course of their college career.

That is a very important relief to those families. The legislation we en-

acted last year also made Federal loans less costly for students by cutting the interest rates in half for undergraduates. In addition, we helped students manage debt by capping monthly loan payments at 15 percent of their income. If they go into public service, their loans would be completely forgiven as long as they stay in public service for a period of years. All of these benefits would be meaningless if students cannot obtain the loans they need to pay for college.

So I thank my Senate colleagues for supporting this legislation, and I urge our colleagues in the House of Representatives, and the President, to act quickly so our Nation's college students don't become the next victims of our slumping economy. Together we can ensure that the students get the assistance they need to go to school so their dreams don't turn into nightmares, caused by the volatilities of our credit markets.

Mr. President, I am very grateful to my colleague and friend, Senator ENZI, the ranking Republican member, and the members of our Education Committee for their help and assistance during this period of time. We have had hearings on this legislation. We also had field hearings on this subject matter and gained a good deal of information. We have worked very closely with the Administration, with Secretary Spellings. We are grateful to her for her involvement and help and assistance. We worked very closely with the House, with both Chairman MILLER and Mr. McKEON, the ranking minority member as well.

In the Senate, we have followed a longstanding tradition of trying to work and find common ground in education policy to benefit students. I think we have done a good job on that over a period of years.

This legislation, which is basically the stopgap legislation meant to deal with the challenges we are facing in the credit markets and that students will face in the credit markets, will respond to that need. We are on alert for any additional changes that are going to be necessary as we move along.

We are going to be monitoring this very closely in the days and weeks ahead, and we welcome ideas and suggestions and recommendations from students and from parents, as well as from all others, about how we can best ensure that we will be able to make sure that the a college education is going to be available to the young people in this country.

Mr. ENZI. Mr. President, I rise to speak about the importance of the Ensuring Continued Access to Student Loans Act of 2008. In a time when there is great concern about turmoil in our credit markets, the action we are taking today addresses an important segment of those markets. What began as a problem within the mortgage market has threatened to disrupt the market that students and their parents rely on to obtain student loans. This bill is a

necessary step to providing students access to the loans they need for college this fall.

While not perfect, this bill will go a long way toward restoring the confidence needed for the student loan market to work. And this is being accomplished at no cost to the Government.

The Secretary of Education can now take actions that will increase loan limits for students and provide parents with greater access to federally guaranteed loans. Both provisions will decrease reliance on private loans which cost more and are becoming less available.

This bill demonstrates our commitment to maintaining the availability of loans through the Federal Family Education Loan, FFEL, program as well as the Federal Direct Loan program. Currently FFEL serves 80 percent of postsecondary students who take out student loans, while the Federal Direct Loan program serves 20 percent. Both loan programs must remain strong.

With the passage of this bill, we create the means to stabilize the college loan market in the coming months. However, I realize that this is a short-term solution. We must preserve the long-term viability of the FFEL program for the students and parents who rely on it to achieve their educational goals.

Additionally, in this bill we have increased grant support for Pell-eligible students who take rigorous high school courses and major in science, technology, engineering, math and critical foreign languages. At a time when our economy needs more individuals with knowledge and skills in these areas, this bill provides low-income college students with the means to be successful in these high-need, high-reward fields.

I appreciate the opportunity to work with Senator KENNEDY on this bill to help students. However, the job is not yet done. We need to finish our work on the comprehensive reauthorization of the Higher Education Act as a lot has changed since it was reauthorized 10 years ago. It is a much more competitive world today. We need a stronger, more relevant system of higher education in this country to compete and win in the global economy.

Last July we passed the Senate bill by a vote of 95–0. We are now working with the House to get an agreement to the President before Memorial Day. I look forward to continuing to work with Senator KENNEDY to get the best bill possible for students and their families.

As we finish our work on the reauthorization of the Higher Education Act, we will continue to monitor the bill we passed today and its impact on the availability of student loans to ensure that it accomplishes what we intended. Our students are our future and we have to make sure that we provide them with every opportunity to be successful.

Mr. REED. Mr. President, I strongly support passage of H.R. 5715, the Ensuring Continued Access to Student Loans Act.

As an original cosponsor of the Senate companion of this legislation, I am pleased that this bipartisan bill seeks to proactively address the impact of the credit crunch on the student loan market, and ensure that students attending college this fall have sustained, uninterrupted access to affordable Federal grant and loan aid.

In an effort to increase college access and affordability, last fall Congress passed the College Cost Reduction and Access Act, to provide over \$20 billion in new student financial aid. I was glad to help write this law. It increased the maximum Pell Grant by nearly \$500 this year and to \$5,400 by 2012, providing Rhode Island students with \$7.8 million in additional grant aid this year and nearly \$85 million over the next 5 years. To help students and families borrowing for college, this law also cut the interest rate on Federal loans in half for undergraduate students over 4 years; capped monthly payments on Federal student loans at 15 percent of a borrower's discretionary income; and encouraged public service by forgiving loan debt for those like nurses, teachers, and librarians after 10 years.

However, the current instability of the credit markets has raised concern in my home State of Rhode Island and across the country regarding the availability this spring of Federal loans and how parents will be able to pay tuition for their sons and daughters to attend college in the fall. Although we have not heard of a single student or parent unable to receive a Federal loan yet, the busy time of year for borrowing has only just begun as most student loan applications are not due until the beginning of May. Additionally, we know that over 50 lenders nationwide have stopped offering federally subsidized loans.

As such, this bill takes important initial steps to ensuring that students and their families have the necessary financial means to attend and succeed in college. It provides additional grant aid opportunities for low-income students to reduce their reliance on student loans by directing savings generated by the bill into increased Academic Competitiveness and National SMART Grants. These two grant programs provided nearly 2,100 Rhode Island students with over \$2.2 million in additional grant aid in 2006-07. It also reduces student reliance on costlier private loans by expanding the amount a student may borrow through a modest raise in the Federal Stafford loan limits. The bill also improves the availability of lower-interest federally subsidized PLUS loans for parent borrowers by providing an option to defer repayment of these loans until after their child graduates college, and ensuring that parents recently impacted by the downturn in the housing market can continue to qualify for these loans.

The bill also takes a number of actions to provide an overall Federal backstop so students do not have to borrow higher cost private loans. First, to ensure lenders have the necessary capital to make new Federal loans, the bill gives temporary authority to the Department of Education to act as a secondary market for loans originated in the federally subsidized student loan market. It also eases the process by which a guaranty agency or institution may be deemed eligible as a lender of last resort, ensuring the further availability of Federal student loans. And the direct loan program is on stand-by for institutions concerned that their students may experience difficulty finding a Federal loan this year. Direct loans are directly originated by the Federal Government and as such, not subject to credit market instability and fluctuation.

I thank Senators KENNEDY and ENZI, and their staffs, for their work and leadership on this bill. I will continue to very closely monitor this situation and explore any additional necessary options in the coming weeks to ensure that the credit crunch does not prevent deserving students from attending college.

Mr. DURBIN. Mr. President, I ask unanimous consent that the Kennedy-Enzi amendment at the desk be agreed to, the bill as amended be read a third time and passed, the motions to reconsider be laid on the table with no intervening action or debate, and any statements relating to the bill be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment (No. 4592) was agreed to.

(The amendment is printed in today's RECORD under ("Text of Amendments.")

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill (H.R. 5715), as amended, was read the third time and passed.

HEALTHY START REAUTHORIZATION ACT OF 2007

Mr. BROWN. I ask unanimous consent that the Senate proceed to the immediate consideration of Calendar No. 723, S. 1760.

The PRESIDING OFFICER. The clerk will report the bill by title.

The legislative clerk read as follows:

A bill (S. 1760) to amend the Public Health Service Act with respect to the Healthy Start Initiative.

There being no objection, the Senate proceeded to consider the bill which had been reported from the Committee on Health, Education, Labor, and Pensions, with an amendment to strike all after the enacting clause and insert in lieu the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the "Healthy Start Reauthorization Act of 2007".

SEC. 2. AMENDMENTS TO HEALTHY START INITIATIVE.

(a) CONSIDERATIONS IN MAKING GRANTS.—Section 330H(b) of the Public Health Service Act (42 U.S.C. 254c-8(b)) is amended—

(1) by striking "(b) REQUIREMENTS" and all that follows through "In making grants under subsection (a)" and inserting the following:

"(b) CONSIDERATIONS IN MAKING GRANTS.—

"(1) REQUIREMENTS.—In making grants under subsection (a)"; and

(2) by adding at the end the following paragraphs:

"(2) OTHER CONSIDERATIONS.—In making grants under subsection (a), the Secretary shall take into consideration the following:

"(A) Factors that contribute to infant mortality, such as low birthweight.

"(B) The extent to which applicants for such grants facilitate—

"(i) a community-based approach to the delivery of services; and

"(ii) a comprehensive approach to women's health care to improve perinatal outcomes.

"(3) SPECIAL PROJECTS.—Nothing in paragraph (2) shall be construed to prevent the Secretary from awarding grants under subsection (a) for special projects that are intended to address significant disparities in perinatal health indicators in communities along the United States-Mexico border or in Alaska or Hawaii."

(b) OTHER GRANTS.—Section 330H of the Public Health Service Act (42 U.S.C. 254c-8) is amended—

(1) in subsection (a), by striking paragraph (3); and

(2) by striking subsections (e) and (f).

(c) FUNDING.—Section 330H of the Public Health Service Act, as amended by subsection (b) of this section, is amended by adding at the end the following subsection:

"(e) FUNDING.—

"(1) AUTHORIZATION OF APPROPRIATIONS.—For the purpose of carrying out this section, there are authorized to be appropriated—

"(A) \$120,000,000 for fiscal year 2008; and

"(B) for each of fiscal years 2009 through 2013, the amount authorized for the preceding fiscal year increased by the percentage increase in the Consumer Price Index for all urban consumers for such year.

"(2) ALLOCATION.—

"(A) PROGRAM ADMINISTRATION.—Of the amounts appropriated under paragraph (1) for a fiscal year, the Secretary may reserve up to 5 percent for coordination, dissemination, technical assistance, and data activities that are determined by the Secretary to be appropriate for carrying out the program under this section.

"(B) EVALUATION.—Of the amounts appropriated under paragraph (1) for a fiscal year, the Secretary may reserve up to 1 percent for evaluations of projects carried out under subsection (a). Each such evaluation shall include a determination of whether such projects have been effective in reducing the disparity in health status between the general population and individuals who are members of racial or ethnic minority groups."

Mr. BROWN. Mr. President, I ask unanimous consent the substitute be agreed to; the bill as amended, be read a third time; the motion to reconsider be laid on the table with no intervening action or debate; and any statements related to the bill be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Committee amendment in the nature of a substitute was agreed to.

The bill (S. 1760), as amended, was ordered to be engrossed for a third reading, was read the third time, and passed.